

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

IN RE:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
THE EMPLOYEES RETIREMENT SYSTEM OF
THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO, AND
THE PUERTO RICO PUBLIC BUILDINGS
AUTHORITY,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**DECLARATION OF ADAM CHEPENIK
IN RESPECT OF THE CONFIRMATION OF SEVENTH
AMENDED TITLE III JOINT PLAN OF ADJUSTMENT FOR THE
COMMONWEALTH OF PUERTO RICO, ET AL.**

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) the Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 17-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

I, Adam Chepenik, hereby declare that:

1. I am employed by Ernst & Young, LLP (“EY”) and have worked at EY since April 2017. I submit this declaration (the “Declaration”) in respect of confirmation of the *Seventh Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [ECF No. 17627] (together with all exhibits, and as amended, modified, and supplemented, the “Plan”).²

2. I am a Principal in EY, where I oversee EY’s public sector restructuring advisory services engagements. In that role, I advise public sector entities in financial distress on, among other things, the development of cash flow analysis, liquidity and budget forecasting, multi-year fiscal planning, structural reforms, creditor negotiations, labor contract reviews, legacy retiree obligations, pension reforms, and other in-court and out-of-court restructuring needs. In total, I have more than 18 years of combined restructuring and public-sector experience, including six years at the U.S. Treasury Department, where I served as the inaugural Deputy Director of the Office of State and Local Finance, played a role in the federal government’s response to Puerto Rico’s fiscal and economic crisis and provided technical assistance to Congress in the drafting of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”).

3. I hold an MBA from Harvard Business School and an MPA from Harvard University’s John F. Kennedy School of Government, where I graduated as a public service fellow. I also hold three bachelor’s degrees, in Finance, Economics and Management Science and Statistics from the University of Maryland, where I graduated Summa Cum Laude, Phi Beta Kappa.

4. I am one of the engagement principals at EY responsible for advising the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) on a variety of subject

² Capitalized terms used but not otherwise defined herein have the same meanings given to them as in the Plan.

matters since EY was engaged by the Oversight Board starting in 2017. In this role, I have been, and remain in regular contact with, the members of the Oversight Board, its staff and its advisors.

5. In this Declaration, I discuss: (i) the unrestricted cash reserve and disaster aid revolving fund, as described in the *Disclosure Statement for the Seventh Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [ECF No. 17628] (together with all exhibits, and as amended, modified, and supplemented, the “Disclosure Statement”) (at pp. 169-173); (ii) the Commonwealth’s emergency reserve, as described in the Disclosure Statement (at pp. 173-174); and (iii) the identification by the Oversight Board of cash accounts held by the Debtors, the amount of the funds held in the identified Debtors’ cash accounts and the Oversight Board’s analysis of legal restrictions on cash held in certain of those accounts, as described in the Disclosure Statement (at pp. 159-169).

6. My statements set forth in this Declaration are based on my personal knowledge, except where I reference specific documents or communications as the basis of my statements. In those instances where I reference a specific document or communication, I am not offering the documents to prove the truth of the content in those documents, or I am informed, the documents are otherwise admissible because, for instance, it is a self-authenticating public record or can be otherwise authenticated and shown to be admissible.

7. Where I provide opinions, they are based on, in addition to my personal knowledge, (i) my understanding of information shared with me by other members of the EY team working directly with me or under my supervision and direction; (ii) additional information provided by the Oversight Board and its other advisors, and other interested parties and their respective advisors, concerning the restructuring, and/or (iii) my experience in the restructuring industry as

described above. I understand this is the type of information professionals in my field typically consider and use in their work.

Unrestricted Cash Reserve Policy

8. Although Puerto Rico's OMB Enabling Act (23 L.P.R.A. § 106)³ requires the Commonwealth to set aside budgetary funds each year to maintain uninterrupted government operations, the Commonwealth government has historically addressed its urgent liquidity needs through a variety of one-time measures. These measures included actions such as: deferring the disbursement of certain budgetary outlays, delaying payment of tax refunds to residents, liquidating pension assets early to fund immediate cash needs, borrowing from the Commonwealth's proprietary insurance funds, failing to pay certain appropriation debts, withholding monthly set-aside funds for debt service, and stretching payment of accounts payables to vendors and other third parties.⁴ As described in the 2021 certified Commonwealth Fiscal Plan ("Fiscal Plan"), at one point, the Commonwealth government's primary cash account, the Treasury Single Account ("TSA"), fell to as little as \$15 million.⁵ The U.S. Secretary of the Treasury at the time observed, due to the Commonwealth's liquidity challenges, the government's ability to provide basic healthcare, legal, and education services was in serious doubt.⁶

9. As described in the Disclosure Statement, going forward, a certain level of unrestricted cash will be retained to help maintain uninterrupted government operations when unforeseen fiscal challenges emerge.⁷ This type of cash allocation is typically referred to as an

³ "Management and Budget Office Organic Act" [Act No. 147 of June 18, 1980, as amended]. See page 11.

<https://bvirtualogp.pr.gov/ogp/Bvirtual/leyesreferencia/PDF/Y%20-%20Ing%20C3%A9s/147-1980.pdf>. (last accessed October 21, 2021).

⁴ Overview of Puerto Rico's Economic and Fiscal Crisis, published by the White House in October 2016.

<https://obamawhitehouse.archives.gov/sites/default/files/factsheet-puertoricoseconomicandfiscalcrisis.pdf>. (Last accessed October 21, 2021)

⁵ 2021 Certified Fiscal Plan for Puerto Rico, page 18. <https://drive.google.com/file/d/1reetKnfKsa1uR-A0u9l3FM6PfGamHCrx/view> (last accessed October 21, 2021).

⁶ Remarks by Treasury Secretary Jacob J. Lew During a Press Availability in Puerto Rico. January 20, 2016. <https://www.treasury.gov/press-center/press-releases/Pages/jl0325.aspx> (Last accessed October 21, 2021).

⁷ See Disclosure Statement (at pp. 169-173)

unassigned fund balance (“Unassigned Fund Balance”) and represents the net cash reserves after all revenues have been deposited and all expenses have been paid.⁸ The combined amount of the unrestricted cash reserves described in this section of my Declaration and the disaster aid revolving fund described starting in Paragraph 30 of my Declaration are both included as part of the value described as the “minimum cash balance” contemplated in the Plan.

10. Maintaining an unrestricted cash reserve is consistent with recognized best practices for municipal government operations. It is designed to mitigate against current and future risks and uncertainties (such as revenue shortfalls, unanticipated expenditures, and other forecasting errors), maintain stable tax rates, and allow for other unexpected changes during economic downturns or other unforeseen emergencies.⁹

11. This type of unrestricted cash reserve is often managed by a state government as a budget stabilization fund (“Budget Stabilization Fund”), or as a rainy day fund (“Rainy Day Fund”), since it is designed to help states set aside certain revenues for times of unexpected economic shocks, revenue shortfalls or budget deficits.¹⁰ Each state’s constitutional or statutory requirements determine the size of the Budget Stabilization Fund or Rainy Day Fund, how deposits into the Budget Stabilization Fund or Rainy Day Fund are made and how funds are withdrawn.¹¹ I use the terms Budget Stabilization Fund, Rainy Day Fund, and Unassigned Fund Balance

⁸ Statement No. 54 of the Governmental Accounting Standards Board. Fund Balance Reporting and Governmental Fund Type Definitions. See page 7. <https://gasb.org/resources/ccurl/313/494/GASBS%2054.pdf> (last accessed October 23, 2021).

⁹ Fund Balance Guidelines for the General Fund <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund> (Last accessed October 21, 2021).; see also Barb Rosewicz et al., States’ Total Rainy Day Funds Fall for First Time Since Great Recession, PEW (Last accessed October 21, 2021), <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/05/17/states-total-rainy-day-funds-fall-for-first-time-since-great-recession> (last accessed October 21, 2021); Jeff Chapman & Josh Goodman, How States Can Manage Uncertainty, Balance Budgets, and Help Communities in the Pandemic’s Wake, PEW (Mar. 22, 2021) (last accessed October 21, 2021): <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/03/22/how-states-can-manage-uncertainty-balance-budgets-and-help-communities-in-the-pandemics-wake> (last accessed October 21, 2021).

¹⁰ Budget Stabilization Funds, How States Save for a Rainy Day. November 27, 2017. Urban Institute. <https://www.urban.org/research/publication/budget-stabilization-funds> (last accessed October 23, 2021)

¹¹ Rainy Day Fund Structures, National Conference of State Legislatures. <https://www.ncsl.org/research/fiscal-policy/rainy-day-funds.aspx> (last accessed October 21, 2021).

interchangeably in this Declaration; each term is intended to represent the allocation of unrestricted cash reserved to mitigate against current and future risks and uncertainties.

12. Unrestricted cash funding for a Budget Stabilization Fund described herein is separate and distinct from an emergency reserve (“Emergency Reserve”), which is described starting in Paragraph 36 of this Declaration. The funding of a Budget Stabilization Fund as well as an Emergency Reserve are both recommended for the Commonwealth because leading municipalities often segment reserves into different categories to clarify the purpose of the reserves and to provide transparency.¹²

13. Many states maintain Budget Stabilization Funds to help stabilize their budgets when unexpected fiscal challenges arise.¹³ States follow different rules on how much to contribute to their Budget Stabilization Funds annually, whether the balance should be capped and, if so, at what level, and under what conditions the funds can be spent.¹⁴ The funding target for a Budget Stabilization Fund is often calculated as a percentage of a government’s general fund (“General Fund”) spending, although financial resources available in other funds, such as federal funds and special revenue funds, are typically also considered when assessing the adequacy of a Budget Stabilization Fund. The General Fund is a central government’s basic operating fund.¹⁵

14. The value of setting aside sufficient funds in a Budget Stabilization Fund was demonstrated during the outset of the COVID-19 pandemic in 2020. When confronted with an uncertain revenue outlook at the beginning of the COVID-19 public health crisis, many U.S. states

¹² A Risk Bases Analysis of General Fund Requirements. <https://www.gfoa.org/materials/a-risk-based-analysis-of-general-fund-reserve-requirements> (last accessed October 21, 2021).

¹³ States’ Total Rainy Day Funds Fall For The First Time Since Great Recession. <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/05/17/states-total-rainy-day-funds-fall-for-first-time-since-great-recession> (last accessed October 21, 2021).

¹⁴ Budget Stabilization Funds, How States Save for a Rainy Day. November 27, 2017. Urban Institute. <https://www.urban.org/research/publication/budget-stabilization-funds> (last accessed October 23, 2021)

¹⁵ Touring the Financial Statements Part III. The Governmental Funds. https://www.gasb.org/cs/ContentServer?cid=1176156735732&d=Touch&pagename=GASB%2FGASBContent_C%2FUsersArticlePage (last accessed Oct 21, 2021).

stabilized their budgets by using part (or all) of their Rainy Day Funds.¹⁶ This helped offset revenue shortfalls in the short-term caused by economic shutdowns, revenue reductions, and delayed tax filings. Today, most states maintain some type of Budget Stabilization Fund, and many states also maintain additional funds earmarked for specific expenses such as K–12 education or disaster relief.¹⁷

15. In the Commonwealth’s case, the proposed level of unrestricted cash the Oversight Board recommends the Commonwealth maintain in a Budget Stabilization Fund would help facilitate the uninterrupted operation of the government following the Effective Date of the Plan. The recommended minimum level of unrestricted cash contemplated by the Oversight Board considers Puerto Rico’s unique circumstances. Factors the Oversight Board considered in estimating the recommended level of unrestricted cash included: (i) the predictability, seasonality, and volatility of the General Fund revenues and expenses; (ii) the composition and resiliency of the Commonwealth’s economic base; (iii) the susceptibility to episodic destabilizing events; (iv) certain significant one-time outlays; (v) the potential availability and needs for other Commonwealth funds (*e.g.*, special revenue funds and federal funds); (vi) the Commonwealth’s current lack of access to outside capital; (vii) the potential impact on future bond ratings and the cost of borrowing; and (viii) the need to maintain funds for specific purposes. The proposed amount should help maintain a prudent level of financial resources for the Commonwealth’s economic security programs such as health care, food assistance, and cash assistance in times of need, allow time to pass during an unexpected downturn before the government might be required

¹⁶ Rainy Days Are Here: States Tap Budget Funds to Plug Budget Holes. <https://www.ncsl.org/research/fiscal-policy/rainy-days-are-here-states-tap-reserve-funds-to-plug-budget-holes.aspx> (last accessed October 21, 2021).

¹⁷ See Sustainable Budgeting in the States Evidence on State Budget Institutions and Practices, November 2017, Urban Institute. https://www.urban.org/sites/default/files/publication/93461/sustainable-budgeting-in-the-states_2.pdf (last accessed October 21, 2021) and Why States Save. https://www.pewtrusts.org/-/media/assets/2017/02/why_states_save.pdf (last accessed October 21, 2021).

to reduce expenses to balance the budget, and help provide financial stability and improved credit worthiness.¹⁸

16. I was personally involved in collaborating with the Oversight Board and its staff and other professionals during their review of the foregoing factors and of the various approaches and methodologies used to establish the recommended range of unrestricted cash that should be allocated to a Budget Stabilization Fund.

17. The first methodology the Oversight Board evaluated was the Government Finance Officers Association's ("GFOA") Best Practice Fund Balance Guidelines for the General Fund.¹⁹ Founded in 1906, GFOA is a professional association of public-sector finance professionals representing more than 20,000 state, provincial, and local government finance officers at all levels of government in the United States and Canada involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions.²⁰ The GFOA's mission is to advance excellence in public finance and to identify, develop, and communicate leading practices in government financial management.²¹ To meet the needs of its members, the organization provides best practice guidance and offers publications on budgeting, internal controls, debt management, treasury management, and other financial management topics. Accordingly, the Best Practice Fund Balance Guidelines for the General Fund defines specific policies and procedures that contribute to improved government management.²²

¹⁸ See Why and How States Should Strengthen Their Rainy Day Funds, Center for Budget and Policy Priorities, February 3, 2011, <https://www.cbpp.org/research/why-and-how-states-should-strengthen-their-rainy-day-funds> and States Should Improve the Design of Their Rainy Day Funds, Center for Budget and Policy Priorities, June 3, 2021 <https://www.cbpp.org/research/state-budget-and-tax/states-should-improve-the-design-of-their-rainy-day-funds>, (last accessed October 21, 2021).

¹⁹ Fund Balance Guidelines for the General Fund. <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund> (last accessed October 21, 2021).

²⁰ GFOA. <https://www.gfoa.org/about> (last accessed October 21, 2021).

²¹ GFOA By-Laws. <https://www.gfoa.org/gfoa-bylaws> (last accessed October 21, 2021).

²² GFOA Best Practices. <https://www.gfoa.org/best-practices> (last accessed October 21, 2021).

18. GFOA recommends that general-purpose governments, regardless of size, maintain a level of unrestricted funds of no less than two months (60 days) of regular General Fund operating revenues or regular General Fund operating expenditures. This advisory measure is not absolute and guidance over the course of past decades has moved the recommended balance upwards. The appropriate balance is determined by the factors described in Paragraph 15 of my Declaration and observations of historic volatility. Furthermore, a government's particular situation often may require a level significantly larger than the GFOA recommended minimum level.²³

19. The Commonwealth has a large concentration of collections from individual revenue sources (particularly corporate income, individual income, sales and use tax and certain excise taxes). Revenue collections are also vulnerable to economic shocks, the implication of which is magnified due to the Commonwealth's current lack of access to capital markets and exposure to potential cuts in federal grants. Consequently, the GFOA best practices approach implies the Commonwealth's government should maintain a larger than average Budget Stabilization Fund.²⁴ Based on the Commonwealth's FY2021 General Fund budget, the GFOA approach implies the Commonwealth should maintain a minimum amount of unrestricted cash in a Budget Stabilization Fund of at least \$1.65 billion.

20. As a second approach, the Oversight Board evaluated a methodology proposed by The Pew Charitable Trusts ("Pew"), an independent non-profit, non-governmental organization whose mission is to "appl[y] a rigorous, analytical approach to improve public policy, inform the public, and invigorate civic life."²⁵ Pew maintains a dedicated research team focused on state

²³ Fund Balance Guidelines for the General Fund. <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund> (last accessed October 21, 2021).

²⁴ Fund Balance Guidelines for the General Fund. <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund> (last accessed October 21, 2021).

²⁵ Pew Charitable Trusts. <https://www.pewtrusts.org/en/>

fiscal health that frequently publishes research and recommendations on state financial conditions, particularly on municipalities in distress.²⁶ Pew’s analysis reviews rules guiding when, how, and how much states are saving—including deposit rules and fund caps—and compares these policies with each state’s experience with volatility to identify best practices.²⁷

21. According to Pew, a state’s Rainy Day Fund balance should depend on: (i) the purpose of the funds; (ii) the state’s experience with revenue volatility; and (iii) the appropriate period of time during which the funds should cover operations (*i.e.*, 30 days, 60 days, 90 days, etc.).²⁸ Based on National Association of State Budget Officers (“NASBO”) data, Pew calculates the median number of days states had to run government operations using Rainy Day Fund reserves, among other reserves, for fiscal year 2019 was 49.7 days and for fiscal year 2020 was 43.5 days.²⁹ Based on the Commonwealth’s FY2021 General Fund budget, and a 45 day average, the Pew approach implies the Commonwealth should maintain a minimum amount of unrestricted cash for a Budget Stabilization Fund of at least \$1.24 billion.

22. As a third approach, the Oversight Board reviewed the negotiations between the Federal Government, particularly the Federal Emergency Management Agency (“FEMA”) and U.S. Department of the Treasury, and the Commonwealth’s government regarding Puerto Rico’s ability to access Community Disaster Loan (“CDL”) program funding after Hurricane Maria. The CDL program was established by Section 417 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. §5184, as amended).³⁰ The CDL program provides

²⁶ State Fiscal Health Project, Pew Charitable Trusts. <https://www.pewtrusts.org/en/projects/states-fiscal-health>

²⁷ Policies to Harness Revenue Volatility, Stabilize Budgets, and Strengthen Reserves. <https://www.pewtrusts.org/en/research-and-analysis/reports/2014/07/15/building-state-rainy-day-funds-policies-to-harness-revenue> (last accessed October 21, 2021).

²⁸ Why States Save? <https://www.pewtrusts.org/en/research-and-analysis/reports/2015/12/why-states-save> (last accessed October 21, 2021).

²⁹ States’ Total Rainy Day Funds Fall for First Time Since Great Recession. <https://www.pewtrusts.org/en/research-and-analysis/articles/2021/05/17/states-total-rainy-day-funds-fall-for-first-time-since-great-recession> (last accessed October 21, 2021). This median figure has fluctuated between 40 days to 48 days in fiscal years 2018-2020.

³⁰ FEMA’s Community Disaster Loan Program: History, Analysis, and issues for Congress. <https://sgp.fas.org/crs/homesec/R42527.pdf> (last accessed October 21, 2021).

financial assistance to local governments having difficulty providing government services because of a loss in tax or other revenue following a disaster.³¹ Following the devastation caused in Puerto Rico from Hurricanes Irma and Maria, Congress passed the Additional Supplemental Appropriations for Disaster Relief Requirements Act of 2017, which was signed into law in October 2017.³² The law included a \$4.9 billion appropriation for CDLs to assist Puerto Rico, the U.S. Virgin Islands, and local governments in Florida and Texas, maintain essential services following the hurricanes. Congress, however, modified the existing rules for Puerto Rico to access CDL funds, relinquishing responsibility for setting the terms, conditions, eligible uses, timing, and the amount of federal disbursements of CDLs to the Secretary of Homeland Security, in consultation with the Secretary of the Treasury.³³

23. The Federal Government eventually set a specific level below which the Commonwealth's cash balance would need to fall before the Federal Government would permit the Commonwealth to access CDL funding.³⁴ Initially, on February 20, 2018, the Federal Government proposed the cash level, or the floor, be set at \$800 million (*i.e.*, if the Commonwealth had more than \$800 million in cash, it would not be permitted to access CDL funding).³⁵ The Commonwealth's government opposed the terms of the Federal Government's proposal as being too onerous and inconsistent with Puerto Rico's liquidity needs.³⁶ Ultimately, on March 22, 2018, the Federal Government agreed to permit the Commonwealth to access CDL funding if the

³¹ FEMA's Community Disaster Loan Program: History, Analysis, and issues for Congress. <https://sgp.fas.org/crs/homesec/R42527.pdf> (last accessed October 21, 2021).

³² H.R.2266 - Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017. <https://www.congress.gov/bills/115th-congress/house-bill/2266> (last accessed October 21, 2021).

³³ Congressional Research Service report on Community Disaster Loans: Homeland Security Issues in the 116th Congress, April 24, 2019. <https://crsreports.congress.gov/product/pdf/IN/IN11106> (last accessed October 21, 2021).

³⁴ January 9, 2018 letter from FEMA to Gerardo Portela, the Executive Director of AAFAF. <https://drive.google.com/file/d/1eX9F255WJ7riKq7cYQJSrD3XHoJ8Z7QB/view> (last accessed October 21, 2021).

³⁵ Obstacles set by Treasury, *El Nuevo Dia*. March 4, 2018. <https://www.elnuevodia.com/english/news/story/obstacles-set-by-treasury/> (last accessed October 21, 2021).

³⁶ Governor Rossello letter to Congress, dated February 26, 2018. <https://www.puertoricoreport.com/wp-content/uploads/2018/03/RR-CDL-Letter.pdf> (last accessed October 21, 2021).

Commonwealth's cash balance declined below \$1.1 billion.³⁷ This implies the Federal Government believed \$1.1 billion was the minimum level of cash below which the Commonwealth may not have sufficient liquidity to maintain steady, uninterrupted operations.

24. As a fourth approach, the Oversight Board evaluated the unrestricted cash balance assumptions used by the City of Detroit during its recent Chapter 9 bankruptcy case. As part of the City of Detroit's restructuring and 40-year projections in its plan of adjustment, the City of Detroit projected a unrestricted cash balance based on two months of payroll through fiscal year 2023 and at least a 7.5% of General Fund expenditures cash reserve thereafter.³⁸ Based on the Commonwealth's FY2021 General Fund budget, applying the example of the City of Detroit as a comparable jurisdiction implies the Commonwealth should maintain a minimum amount of unrestricted cash for a Budget Stabilization Fund of at least \$753 million.

25. As a fifth method, the Oversight Board reviewed a general practitioner approach by evaluating a range of state examples targeting the level of Rainy Day Fund balances published annually as part of the NASBO Fiscal Survey of States report.³⁹ The 2021 NASBO analysis shows all but 14 states maintain Rainy Day Funds in excess of 5% of expenditures and 20 states maintain a Rainy Day Fund in excess of 10%.⁴⁰ Based on the Commonwealth's FY2021 General Fund budget, this approach implies that the Commonwealth should maintain an unrestricted cash balance between \$500 million and \$1.0 billion.

³⁷ Feds and Puerto Rico Reach Deal Allowing Disaster Recovery Loans to Start Flowing. NPR, March 22, 2018. <https://www.npr.org/sections/thetwo-way/2018/03/22/596196849/feds-and-puerto-rico-reach-deal-allowing-disaster-recovery-loans-to-start-flowing> (last accessed October 21, 2021).

³⁸ City of Detroit, Plan of Adjustment, 40 Year Projections. <https://mi.gov/sites/detroitmi.localhost/files/2018-05/Forty-Year%20Financial%20Projections.pdf> (last accessed October 21, 2021).

³⁹ The Fiscal Survey of States, Spring 2021, National Association of State Budget Officers, pages 70-71. <https://www.nasbo.org/reports-data/fiscal-survey-of-states> (last accessed October 21, 2021).

⁴⁰ The Fiscal Survey of States, Spring 2021, National Association of State Budget Officers, pages 70-71. <https://www.nasbo.org/reports-data/fiscal-survey-of-states> (last accessed October 21, 2021).

26. As a sixth approach, the Oversight Board evaluated the projected cash needs of the TSA, the Commonwealth's primary operating account, as presented by the Commonwealth's government to the Oversight Board.⁴¹ The primary inflows for the Commonwealth's TSA are tax-based revenue sources, which have economic risk and a seasonality component, and the primary disbursements are payroll and other fixed costs. Based on materials provided to the Oversight Board by the government, it appears the Commonwealth government considered the structure of revenue and expense flows in estimating its assessment of the required level of funding for a Budget Stabilization Fund. The materials indicate the government then adjusted for the number of months of cash needed for each category of need, based on the criticality of each payment and the type of funding source. For example, the government indicated payroll funded by revenue collections required a 2-month reserve versus nutritional assistance funding, which is a federally funded pass-through expense, which the government estimated no reserve was required.

27. The analysis provided to the Oversight Board by the Commonwealth government also included other considerations. For instance, the materials provided to the Oversight Board indicate Puerto Rico is the beneficiary of numerous federal programs, which provide funding for government services in the areas of education, health, public safety and housing, among others.⁴² Many of the programs funded by federal government agencies are reimbursement-based, meaning the Commonwealth's government will typically disburse the funds and then seek reimbursement from the corresponding federal agency. Certain federal programs, however, provide for advances of federal funds to be disbursed by the Commonwealth at a later date. Variances in timing between federal funds receipts and disbursements contribute to the liquidity needs of the Commonwealth

⁴¹ Government analysis provided to the Oversight Board via e-mail on December 11, 2020.

⁴² Government analysis provided to the Oversight Board via e-mail on December 11, 2020.

government. The analysis implied the Commonwealth should maintain, at a minimum, an amount of unrestricted cash in a Budget Stabilization Fund that exceeds \$1.7 billion.

28. Combining all six methodologies above produced a range of possible Budget Stabilization Fund balance levels evaluated by the Oversight Board. After analyzing the recommended values ascribed by each approach above, risk weighing Puerto Rico's financial characteristics, considering all FY2021 budgets, and evaluating the Commonwealth's revenue volatility, the unrestricted cash balance range presented to the Oversight Board for a Budget Stabilization Fund was \$1.2 billion to \$1.7 billion.

29. Based on the foregoing, it is my opinion a Budget Stabilization Fund balance in the range of \$1.2 to \$1.7 billion is within accepted bounds.

Disaster Aid Revolving Fund

30. In addition to establishing a Budget Stabilization Fund, the Oversight Board agreed to fund a temporary \$750 million disaster aid revolving line of credit ("Revolving Fund") from the Commonwealth. The Puerto Rico Central Office for Recovery, Reconstruction and Resilience and FEMA recommended the establishment of a Revolving Fund from the Commonwealth for the purpose of financing FEMA Permanent Work and Hazard Mitigation Grant Program ("HMGP") disaster relief projects of central government agencies, public corporations, instrumentalities, and municipalities in Puerto Rico ("Sub-Recipients") unable to secure such funding from Federally funded requests for advance funding or Requests for Reimbursement.⁴³

31. The Revolving Fund balance of \$750 million was determined by (i) evaluating the federal disaster aid rollout timeline in the Fiscal Plan,⁴⁴ (ii) dividing annual federal disaster

⁴³ Eligible Sub-Recipients must have incurred qualifying permanent work damage under FEMA's Public Assistance program and HMGP projects for incurred damages as a result of Hurricane Maria (DR- 4339-PR), Hurricane Irma (DR- 4336-PR), or the earthquakes declared in January 2020 under DR- 4473-PR.

⁴⁴ 2021 Certified Fiscal Plan for Puerto Rico, Chapter 4. <https://drive.google.com/file/d/1reetKnfKsa1uR-A0u9l3FM6PfGamHCrx/view> (last accessed October 21, 2021).

spending equally over a 12-month period,⁴⁵ (iii) removing certain federal disaster aid categories from the analysis, on the assumption either project work in these categories is eligible for advance funding from FEMA or revolving funds would not be needed (due to other funding sources, such as funding from private insurance), and (iv) assuming the timing for federal funds to be reimbursed may take up to four months. With estimated monthly disbursements for projects averaging approximately \$200 million or more per month, the Oversight Board determined a total funding amount for the Revolving Fund of \$750 million would be adequate for the required cash flow needs of eligible Sub-Recipients. The Oversight Board also determined the Revolving Fund should exist in its entirety until 2029, generally consistent with the disaster aid rollout timing in the Fiscal Plan.⁴⁶ Starting in 2029, a portion of the funds would be released to creditors consistent with the Plan terms described in Paragraph 34 of my Declaration.

32. Joint Resolution 85-2020 codified the \$750 million Revolving Fund from the Commonwealth into law.⁴⁷ Under Joint Resolution 85-2020, Sub-Recipients are eligible to apply for funding through June 30, 2025.⁴⁸ As provided in the Revolving Fund guidelines, the expiration date for funding applications under Joint Resolution 85-2020 will need to be amended to conform to the terms of the Plan.⁴⁹ Also, according to the Revolving Fund guidelines, funding is extended to an applicant only after a project is fully obligated.⁵⁰ Certain funding requests (*e.g.*, certain types of cost overruns in Section 428 Stafford Act agreements and short-term FEMA emergency work)

⁴⁵ As part of the calculations completed, the deployment of funding was equally spread over the course of the year on a monthly basis. It is possible the actual distribution of expenditures during the year, however, may vary due to timing of individual projects and seasonality.

⁴⁶ 2021 Certified Fiscal Plan for Puerto Rico, Chapter 4. <https://drive.google.com/file/d/1reetKnfKsaluR-A0u9l3FM6PfGamHCrx/view> (last accessed October 21, 2021).

⁴⁷ Originally submitted act H.B. 773-2020. <https://sutra.oslpr.org/osl/SUTRA/anejos/136235/0085c0773.pdf> (last accessed October 21, 2021).

⁴⁸ Recovery Fund Guidelines, page 4. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁴⁹ Recovery Fund Guidelines, page 4. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵⁰ Recovery Fund Guidelines. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

are not eligible.⁵¹ The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) will administer the Revolving Fund.⁵²

33. Once a Sub-Recipient application is submitted, it is evaluated and prioritized based on several criteria, including alignment with the central government’s recovery plan.⁵³ If funding is extended to a Sub-Recipient, that Sub-Recipient is required to comply with a budgeted spending plan and ongoing reporting requirements.⁵⁴ The Sub-Recipient will be required to reimburse the Revolving Fund for any funding it receives from a variety of designated sources.⁵⁵ According to the Revolving Fund guidelines, the Commonwealth’s government plans to take several steps to limit potential reimbursement risks.⁵⁶ Sub-Recipients who do not repay an advance on a timely basis will be subject to remedial and corrective actions, including, among other measures, a potential permanent ban from applying to borrow funds from the Revolving Fund in the future.⁵⁷

34. In structuring the Revolving Fund, the Oversight Board also provided for the eventual allocation of the monies in the Revolving Fund to creditors in the form of a 5.375% Capital Appreciation Bond with a July 1, 2033 maturity date and a repayment obligation of \$750 million, callable on July 1, 2031, a portion of which will be distributed to creditors starting in 2029.⁵⁸ The Commonwealth is the bond obligor and, as such, bears the risk of nonpayment.⁵⁹

35. Based on the foregoing, it is my opinion the Revolving Fund of \$750 million is within accepted bounds.

⁵¹ Recovery Fund Guidelines, page 5. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵² Recovery Fund Guidelines. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵³ Recovery Fund Guidelines. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵⁴ Recovery Fund Guidelines. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵⁵ Recovery Fund Guidelines. <https://recovery.pr/documents/Guias%20FOR.pdf>. Other sources of funds may include, but are not limited to, the Sub-Recipient’s own capital, GPR allocated budget, and federally funded programs such as CDBG-DR. (last accessed October 21, 2021).

⁵⁶ Recovery Fund Guidelines. See pages 7-8. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵⁷ Recovery Fund Guidelines. <https://recovery.pr/documents/Guias%20FOR.pdf> (last accessed October 21, 2021).

⁵⁸ Seventh Amended Title III Joint Plan of Adjustment, Exhibit I.

<https://www.prd.uscourts.gov/promesa/sites/promesa/files/documents/1/7th%20Amended%20Plan.pdf> (last accessed October 21, 2021).

⁵⁹ Seventh Amended Title III Joint Plan of Adjustment, See pages 111 – 112.

<https://www.prd.uscourts.gov/promesa/sites/promesa/files/documents/1/7th%20Amended%20Plan.pdf> (last accessed October 21, 2021).

The Emergency Reserve

36. The Fiscal Plan also calls for the continued funding of an Emergency Reserve to quickly respond to natural disasters.⁶⁰ The Emergency Reserve is intended to expedite disaster response activities and, upon request, provide the Commonwealth agencies and affected local governments with capital in the event of an emergency of such severity and magnitude that effective response would exceed the capacity of budget resources and federal disaster assistance would not be available or timely available to respond to the emergency.⁶¹ Unlike the Budget Stabilization Fund, the Emergency Reserve is intended to be accessed only in response to extraordinary events like natural disasters or other events generally outside of human control and unpreventable.⁶² It is not intended to mitigate emergencies related to operational inefficiencies.⁶³

37. The International Monetary Fund (“IMF”) has issued a guidance report for the Caribbean region, which recommends territories in the region establish an Emergency Reserve of between 2% and 4% of gross domestic product to support unforeseen short-term cash needs following a natural disaster.⁶⁴ In particular, the IMF noted “[t]he increasing frequency and intensity of extreme weather events presents challenges to preserving human life, maintaining economic activity, and achieving fiscal sustainability.”⁶⁵

38. In line with the IMF guidance, the Oversight Board’s yearly certified fiscal plans for the Commonwealth (starting in 2018) provide the Commonwealth will set aside \$130 million

⁶⁰ 2021 Certified Fiscal Plan for Puerto Rico, page 57. <https://drive.google.com/file/d/1reetKnfKsa1uR-A0u9l3FM6PfGamHCrx/view> (last accessed October 21, 2021).

⁶¹ 2021 Certified Fiscal Plan for Puerto Rico, page 57. <https://drive.google.com/file/d/1reetKnfKsa1uR-A0u9l3FM6PfGamHCrx/view> (last accessed October 21, 2021).

⁶² FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁶³ FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁶⁴ International Monetary Fund, The Bahamas: Staff Report for the 2019 Article IV Consultation, at 48 <https://www.imf.org/en/Publications/CR/Issues/2019/07/01/The-Bahamas-2019-Article-IV-Consultation-Press-Release-and-Staff-Report-47067> (last accessed October 21, 2021).

⁶⁵ *Id.* at 10.

annually for a period of ten years into an Emergency Reserve until the reserve balance reaches \$1.3 billion, or 2% of Puerto Rico's fiscal year 2018 Gross National Product.⁶⁶ In fiscal year 2019, the Commonwealth began the process of setting aside funds to deposit into the reserve.

39. Eligible agencies and affected local governments must be in an emergency declared area and the Emergency Reserve funds must be used for response activities related to the declared event.⁶⁷ Non-profits, public corporations, and individuals are not eligible applicants for advances through the Emergency Reserve.⁶⁸

40. Several steps must be completed before the government may access the Emergency Reserve fund. These requirements include a written approval by the Oversight Board, a State of Emergency Declaration by the Governor of Puerto Rico, and an Office of Management and Budget request to the Oversight Board, which requests access to the Emergency Reserve for a finite period of time and includes the amount, proposed usage of the funds requested, and the repayment date.⁶⁹ Funds must be replenished no later than the following fiscal year.⁷⁰ To date, prior authorizations have included responses to a variety of natural disasters such as storms, earthquakes, fires and droughts.⁷¹

⁶⁶ GNP is used instead of Gross Domestic Product ("GDP") because GNP is the measure of national income that best ties to the base for tax collections. See, e.g., *Declaration of Andrew Wolfe in support of Urgent Motion of Debtor Puerto Rico Electric Power Authority For Entry of Interim and Final Orders (A) Authorizing Postpetition Secured Financing, (B) Granting Priming Liens And Providing Superpriority Administrative Expense Claims, (C) Modifying The Automatic Stay, (D) Scheduling a Final Hearing, and (E) Granting Related Relief*, No. 17-03283 (Jan. 27, 2018) [ECF No. 2298-2], at 6 n.4.

⁶⁷ FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁶⁸ FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁶⁹ FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁷⁰ FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁷¹ As examples of prior authorizations from the Oversight Board, see Letter dated August 14, 2021 https://drive.google.com/file/d/1HA_1ykRGMQD3i5bdjXQIzHRhfU8v4FvS/view; Letter dated January 7, 2020 (last accessed October 21, 2021) <https://drive.google.com/file/d/1xubgpGXpgwO52mR-r3Px-OJ8CINS0emN/view>; Letter dated July 5, 2020 (last accessed October 21, 2021) https://drive.google.com/file/d/1Y5irf3H3bBCZLxi_BIHCxQZ0Dg1R0Wmy/view; and letter dated June 1, 2021 (last accessed October 21, 2021) https://drive.google.com/file/d/1b52cIaECYmshgJEvG9Lu473_iqYCA3Yf/view (last accessed October 21, 2021).

41. Quarterly reports must be submitted to the Oversight Board detailing the status of Emergency Reserve funds, amounts provided to agencies and affected local governments, the amount of funds expended, the amount of funds remaining, and updated projected repayment dates.⁷² Agencies and local governments that receive funds from the Emergency Reserve are required to file with FEMA a Request for Public Assistance program (FEMA's grant program that provides financial assistance to state and local governments following a natural disaster) to maximize the likelihood federal fund reimbursements are replenished into the Emergency Reserve.⁷³

42. Based on the foregoing, it is my opinion the Oversight Board's establishment of the \$1.3 billion Emergency Reserve is within accepted bounds.

The Identification of Cash Accounts Held By The Debtors and the Oversight Board's Restriction Analysis

43. The Debtors' bank account balances as of March 31, 2021, and the Oversight Board's legal restriction categorizations, are detailed in Exhibit M to the Disclosure Statement (ECF 17628-13).⁷⁴ As described further below, Exhibit M reflects the output of a collaboration between the Oversight Board, its legal advisors and its financial advisors, including EY.

44. As further detailed below, EY assisted with several roles in this effort. First, EY compiled a list of bank accounts held by the Debtors, based on documentation provided to the Oversight Board and its advisors. Second, EY updated the lists of accounts and balances each quarter, based on information provided to the Oversight Board and its advisors. Third, EY communicated with specific holders of each account (*e.g.*, various central government agencies

⁷² FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021).

⁷³ FY2022 Commonwealth Certified Budget, Section 15. <https://drive.google.com/file/d/1SPvqOCyqu9c6Na3YMuUITod2MEGhbhNr/view> (last accessed October 23, 2021) and FEMA's Public Assistance Program Overview. <https://www.fema.gov/assistance/public/program-overview>. (last accessed October 21, 2021).

⁷⁴ Exhibit M (ECF 17628-13). <https://www.prd.uscourts.gov/promesa/sites/promesa/files/documents/ajax/7th%20Disc1%20Stmt%20Exh%20G-M.pdf> (last accessed October 21, 2021).

and instrumentalities) to obtain information regarding the purpose of each account, the account holder-stated sources and uses of funds in each account, and the account holder-stated potential existence and basis of restrictions on the use of such funds. Lastly, EY shared this information with the Oversight Board's legal advisors who, I understand, included this in their assessment of the amount of funds, if any, that were legally restricted such that those funds would not be available to creditors (and thus are not treated as part of the available cash balance under the Plan).

45. In March 2019, EY obtained a list of Commonwealth agencies, public corporations, and other instrumentalities (collectively, the "Accountholders") from Duff & Phelps, LLC ("Duff & Phelps"), which it confirmed through discussions with the Oversight Board's external advisors. (I understand Duff & Phelps had previously been retained by the Oversight Board to perform certain work relating to the identification of Commonwealth cash and bank accounts.) EY used this list for the initial identification of Accountholders and their bank accounts as of June 30, 2018. EY also reviewed other documents, such as court filings, to confirm and identify other accounts.

46. Beginning in May 2019, EY sent email communications to each Accountholder to obtain their confirmation that the Accountholder did in fact hold each bank account attributed to it. Out of 44 Accountholders with known or expected active accounts as of September 30, 2021, 42 responded to EY's emails.⁷⁵ For the two non-responsive Accountholders, EY liaised with the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), the Puerto Rico Department of Treasury, and/or the Oversight Board's other advisors to obtain the requested information and/or documentation.

47. Many Accountholders provided consent letters to the financial institutions where their accounts were held that authorized EY to directly access account information (*e.g.*, via a web

⁷⁵ The two Accountholders that did not respond to EY were the Puerto Rico Senate and the Joint Special Commission of Legislative Funds.

portal). Out of the 44 agencies with active accounts as of September 30, 2021, EY has direct access to all accounts for 18 agencies and to some accounts for 14 additional agencies. This does not include accounts for which Accountholders provided a consent letter authorizing EY to request or access data but for which direct access is unavailable (*e.g.*, due to technical limitations), in which cases EY requested this information from a contact person at the financial institution. Certain Accountholders either declined to provide consent letters or failed over time to renew prior expired consent letters. In these instances, EY relied on information provided directly by the Accountholders themselves.

48. If an Accountholder indicated a specific account did not belong to it, EY contacted the financial institution named on the account to clarify the account ownership if EY has a consent letter for the Accountholder at the financial institution. If the financial institution was unable to locate the account or EY was not given consent, EY attempted to first corroborate the existence and ownership of the account by contacting other parties with insight into government bank accounts, such as AAFAF, and then confirm the identified owner of the account by following the procedures described above.

49. At the end of each fiscal quarter (the “Measurement Date”), EY asked the Accountholders and/or financial institutions to validate the status (*i.e.*, closed or open) of all accounts, and to disclose the existence of any new accounts. If an Accountholder had closed an account, EY requested confirmation of closure from the financial institution, the exact closing date, and the destination of the funds (if any) transferred out of the account prior to closing. If an Accountholder had opened a new account, EY inquired about the opening date. EY also asked the Accountholders and financial institutions, depending on whether consent was provided, for quarter-end balances in any accounts to which EY did not have direct access.

50. EY also asked the Accountholders to describe the purpose of each bank account, the sources and uses of funds therein, and the Accountholders' understanding with regard to the existence of any restrictions on the use of the funds. If an Accountholder asserted certain funds were subject to restrictions on their use, EY also requested documentation supporting the asserted restrictions. EY also requested this information for any account subsequently identified or opened by the Accountholders.

51. All of the information and documentation collected from the Accountholders, including factual source materials and raw data, was uploaded to and organized on an online document review platform. EY assigned a unique bank account identifier to each bank account based on a combination of the Accountholder's agency identifier, the financial institution holding the bank account, a sequential numerical identifier, and the last four digits of the bank account number. Each document uploaded to the platform was assigned one or more unique bank account identifiers to associate the document with the corresponding bank account. The documents uploaded to the platform included email correspondence between EY and the Accountholders, files provided by the Accountholders, and bank statements or other documentation showing quarter-end balances.

52. EY provided certain of the Oversight Board's other advisors, including attorneys at Proskauer Rose LLP and at O'Neill & Borges LLC (collectively, the "Legal Team"), access to the online platform to review the uploaded factual source materials and raw data. After the Legal Team reviewed the uploaded materials, it from time-to-time conveyed its assessment of the sufficiency of such materials to EY. In some instances, EY relayed follow-up inquiries or requests from the Legal Team to the Accountholders and uploaded additional Accountholder responses to the platform. I understand the Legal Team provided the factual source materials and raw data to

all Eligible Creditors via the Plan Depository (each as defined in the Confirmation Procedures Order) as of April 5, 2021. I understand the Legal Team will also provide any factual source materials and raw data received after April 5, 2021 and up to October 25, 2021 to Eligible Creditors via the Plan Depository.

53. Following every quarterly Measurement Date, EY provided the Legal Team with an updated list of the Accountholders' bank accounts and the quarter-end balances, based on then-current information. EY categorized as "Pending" any bank account for which the quarter-end balance had not been confirmed with the corresponding financial institution.

54. For every Measurement Date, the Legal Team provided EY with a preliminary legal restriction determination (the "Restriction Category") and a brief description summarizing the basis of the restriction determination. In some instances, the Legal Team changed the Restriction Category from a prior Measurement Date based on its review of newly obtained information from the Accountholder or its re-evaluation of information previously obtained.

55. As described previously, Exhibit M to the Disclosure Statement provides the list of Debtors' bank accounts, confirmed balances as of the March 31, 2021 Measurement Date, the Restriction Category of each bank account as determined by the Legal Team, and a brief summary provided by the Legal Team of the basis of the legal restriction, if applicable. These accounts are listed in the order of highest confirmed balance to the lowest confirmed balance. As of the filing of the Disclosure Statement, including Exhibit M, the Restriction Category is noted for all bank accounts with a confirmed balance of at least \$6.9 million.

56. Subsequent to the filing of the Disclosure Statement, EY and the Legal Team have continued with the quarterly review and assessment of bank accounts as of June 30, 2021. The Legal Team has also provided EY with Restriction Categories for bank accounts with a confirmed

balance of at least \$2.0 million. Attached hereto as Exhibit A is a list of updated bank accounts, including the respective June 30, 2021 balances and Restriction Categories, based on the work performed by EY and the Restriction Category communicated by the Legal Team to EY as of the date of this Declaration. Exhibit A sets forth:

- a. 428 bank accounts held by the Commonwealth with a confirmed combined balance of \$18.917 billion and 13 bank accounts for which balance confirmation is pending;
- b. 20 bank accounts held by ERS with a confirmed combined balance of \$1.303 billion; and
- c. 34 bank accounts held by PBA with a confirmed combined balance of \$0.186 billion.

57. The total 482 bank accounts with an aggregate June 30, 2021 balance of \$20.406 billion confirmed as of the date of this Declaration is categorized into the following 7 Restriction Categories (as determined by the Legal Team):

- a. Restricted on the basis of Federal Funds/Law: 76 bank accounts totaling \$4.661 billion holding funds received from the federal government or funds subject to federal law regarding their uses;
- b. Restricted on the basis of Third Party funds: 87 bank accounts totaling \$1.613 billion holding funds belonging to and held on behalf of third parties;
- c. Restricted on the basis of Court Order: 5 bank accounts totaling \$0.076 billion holding funds subject to a court order regarding their use;

- d. Restricted on the basis of Internal Revenue Code: 1 bank account totaling \$0.034 billion holding tax-exempt bond proceeds subject to Internal Revenue Code restrictions regarding their use;
- e. Asserted to be Restricted by Certain Creditors Unless Plan Is Confirmed and Consummated: 8 bank accounts held by Department of Treasury and ERS with a confirmed balance of \$0.876 billion;⁷⁶
- f. Unrestricted for Use by the Plan: 56 bank accounts totaling \$13.109 billion, which funds are available for distribution to creditors under the Plan; or
- g. Unreviewed as to Existence of Legal Restriction: 249 bank accounts, each with a June 30, 2021 confirmed balance of less than \$2.0 million, totaling \$0.036 billion, for which the Legal Team has not provided EY with a Restriction Category.

58. Exhibit A includes bank accounts that the Legal Team informed EY to classify as “Unrestricted” for Restriction Category purposes, notwithstanding the corresponding Accountholder contentions that restrictions existed on the use of the funds. For example, the Office of Court Administration (a Commonwealth agency) asserted the account at First Bank, with account number ending in 9562 and a balance of \$101,627,955.60 as of June 30, 2021, holds funds that can be used only pursuant to Act 286-2002, which established a budgetary formula for the judiciary’s operating expenses. Notwithstanding this assertion by the Office of Court Administration, the Legal Team informed EY to classify the funds in this account as “Unrestricted” because, according to the Legal Team, Act 286-2002 is preempted by PROMESA.

⁷⁶ Under the Plan, these amounts are considered as available for distribution to creditors.

59. Attached hereto as Exhibit B is a list of all the Debtors' bank accounts that had been classified by Accountholders as restricted and re-classified by the Legal Team as "Unrestricted." In total, there are 20 such accounts totaling \$0.320 billion.

60. Finally, EY's review of the Debtors' bank accounts and coordination with the Legal Team will continue based on the most recent documentation and information received from the Accountholders and/or financial institutions. Accordingly, I reserve the right to supplement this Declaration as appropriate.

Executed on October 25, 2021
Washington, DC

A handwritten signature in cursive script, appearing to read "Adam B. Chepenik".

Adam Chepenik

EXHIBIT A

LIST OF DEBTORS' BANK ACCOUNTS, BALANCES, AND PRELIMINARY RESTRICTION CATEGORIZATIONS AS OF JUNE 30, 2021

Exhibit | List of Agencies

Commonwealth Agencies:

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Unrestricted				
Department of Treasury	Banco Popular	24/BCP-54-1020	\$5,742,491,269	Unrestricted (except as provided in footnote 1): ¹ TSA account with pooled funds
Department of Treasury	Citibank	24/CIT-01-9036	\$3,623,667,894	Unrestricted (except as provided in footnote 1): TSA account with pooled funds
Department of Treasury	Banco Popular	24/BCP-07-9458	\$2,000,000,000	Unrestricted (except as provided in footnote 1): TSA account with pooled funds
Department of Treasury	Banco Popular	24/BCP-36-9038	\$556,149,497	Unrestricted
Department of Treasury	Banco Popular	24/BCP-53-1012	\$304,353,359	Unrestricted: TSA account with funds designated by certified fiscal plan for the emergency reserve
Department of Labor and Human Resources	Banco Popular	67/BCP-31-0308	\$178,238,130	Unrestricted
Department of Treasury	Banco Popular	24/BCP-62-3630	\$157,630,951	Unrestricted (except as provided in footnote 1): TSA account with pooled funds
Office of Court Administration	First Bank	10/FIR-01-9562	\$101,627,956	Unrestricted
Department of Treasury	Banco Popular	24/BCP-03-4406	\$53,964,690	Unrestricted (except as provided in footnote 1): TSA account with pooled funds
Department of Economic Development and Commerce	Banco Popular	119/BCP-01-5730	\$49,865,779	Unrestricted
Department of Treasury	Banco Popular	25/BCP-25-7205	\$45,895,366	Unrestricted
Puerto Rico Energy Commission	Banco Popular	289/BCP-02-3056	\$33,254,658	Unrestricted
Puerto Rico Police Bureau	Banco Popular	40/BCP-02-9598	\$29,526,392	Unrestricted
Department of Economic Development and Commerce	Banco Popular	119/BCP-07-4551	\$22,411,038	Unrestricted
Department of Labor and Human Resources	Banco Popular	67/BCP-30-0286	\$13,480,818	Unrestricted
Department of Education	Banco Popular	81/BCP-02-3706	\$13,061,240	Unrestricted
Controller's Office	Banco Popular	8/BCP-01-0251	\$11,281,063	Unrestricted

¹ There are six bank accounts that comprise the Treasury Single Account (TSA). The TSA contains pooled funds, a portion of which may be restricted. As of June 30, 2021, approximately \$76 million is estimated to be restricted federal funds from across the TSA accounts. See also footnote 1 of Exhibit M to the *Disclosure Statement for the Seventh Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* [ECF No. 17628] (together with all exhibits, and as amended, modified, and supplemented, the “Disclosure Statement”).

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Economic Development and Commerce	Banco Popular	119/BCP-02-1301	\$10,005,343	Unrestricted
Office of Court Administration	Banco Santander	10/BSA-100-0974	\$10,001,114	Unrestricted
Environmental Quality Board	Banco Popular	14/BCP-32-0316	\$9,671,334	Unrestricted
Senate	First Bank	1/FIR-01-2665	\$8,473,190	Unrestricted
Department of Housing	Banco Popular	78/BCP-12-5636	\$7,778,858	Unrestricted
Puerto Rico Energy Commission	Banco Popular	289/BCP-03-3064	\$6,519,024	Unrestricted
Office of Court Administration	Citibank	10/CIT-02-1022	\$5,945,753	Unrestricted
Department of Economic Development and Commerce	Banco Popular	119/BCP-04-4527	\$5,925,863	Unrestricted
Office of Legislative Services	First Bank	222/FIR-01-2786	\$5,568,150	Unrestricted
Department of Housing	Banco Popular	78/BCP-08-5571	\$4,951,511	Unrestricted
House of Representatives	First Bank	2/FIR-01-2610	\$4,687,440	Unrestricted
Statistics Institute of PR	Banco Popular	268/BCP-03-7055	\$4,275,501	Unrestricted
Government Ethics Office	Banco Popular	193/BCP-08-1067	\$3,717,073	Unrestricted
Department of Economic Development and Commerce	Banco Popular	119/BCP-03-4519	\$3,581,062	Unrestricted
Department of Justice – Office of Inspector General	Banco Popular	XX4/BCP-06-6054	\$3,178,179	Unrestricted
Forensics Science Bureau	Banco Popular	189/BCP-05-1681	\$2,972,741	Unrestricted
Government Ethics Office	Banco Popular	193/BCP-06-2001	\$2,939,844	Unrestricted
Office of Legislative Services	First Bank	222/FIR-04-2819	\$2,760,183	Unrestricted
PR Federal Affairs Administration	Citibank	29/CIT-03-9332	\$1,364,850	Unrestricted
Superintendent of the Capitol	First Bank	101/FIR-02-2775	\$1,184,392	Unrestricted
Senate	First Bank	1/FIR-02-2687	\$739,824	Unrestricted
Superintendent of the Capitol	First Bank	101/FIR-01-2764	\$645,211	Unrestricted
PR Federal Affairs Administration	Citibank	29/CIT-05-3037	\$303,069	Unrestricted
Department of Housing	Banco Popular	78/BCP-01-0037	\$51,017	Unrestricted
Government Ethics Office	First Bank	193/FIR-02-0828	\$19,129	Unrestricted
Government Ethics Office	Banco Popular	193/BCP-07-1059	\$4,184	Unrestricted
PR Federal Affairs Administration	Citibank	29/CIT-01-9316	\$877	Unrestricted

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Forensics Science Bureau	Banco Popular	189/BCP-09-4496	\$0	Unrestricted
Office of Legislative Services	First Bank	222/FIR-02-2797	\$0	Unrestricted
Office of Legislative Services	First Bank	222/FIR-03-2808	\$0	Unrestricted
Department of Economic Development and Commerce	Banco Santander	119/BSA-01-5057	\$0	Unrestricted
Total Unrestricted			\$13,044,164,816	
Less Federal Funds portion of TSA accounts (see note 1 above)			(\$76,000,000)	
Plus unrestricted portion of Electronic Lottery funds (see note 4 below)			\$19,721,431	
Total Net Unrestricted			\$12,987,886,247	
Asserted to be Restricted per Litigations				
Department of Treasury	Banco Popular	24/BCP-50-7044	\$339,174,474	Asserted to be Restricted: Third Party Contract –subject to ERS bondholder litigation ²
Department of Treasury	Banco Popular	24/BCP-21-9857	\$146,590,118	Asserted to be Restricted: Third Party Contract – subject to litigation ³
Total Asserted to be Restricted per Litigations			\$485,764,592	
Federal Funds/Law				
Department of Treasury	Banco Popular	24/BCP-72-4352	\$2,255,814,462	Restricted: Federal Funds – federal funds received pursuant to ARPA Coronavirus State and Local Fiscal Recovery Funds for reconstruction and repair uses
Department of Treasury	Banco Popular	24/BCP-71-6775	\$421,140,000	Restricted: Federal Funds – federal funds received pursuant to CARES Emergency Rental Assistance Program for COVID-19 related uses
Department of Treasury	Banco Popular	24/BCP-65-5883	\$405,502,540	Restricted: Federal Funds – federal funds received pursuant to Economic Impact Payments for COVID-19 related uses
Department of Labor and Human Resources	US Treasury	67/UST-01-5091	\$310,876,461	Restricted: Federal Law – earmarked for unemployment trust fund pursuant to Section 904 of the Social Security Act (42 U.S.C. § 1104)

² See footnote 2 of Exhibit M to the Disclosure Statement.

³ See footnote 3 of Exhibit M to the Disclosure Statement.

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Treasury	Banco Popular	24/BCP-70-5892	\$245,227,942	Restricted: Federal Funds – federal funds received pursuant to CARES Act for COVID-19 related uses
Public Housing Administration	Banco Popular	106/BCP-22-8701	\$173,815,017	Restricted: Federal Funds –U.S. Department of Housing and Urban Development (“HUD”) federal funds for low income public housing program
Department of Treasury	Banco Popular	24/BCP-66-5875	\$130,656,537	Restricted: Federal Funds – federal funds received pursuant to CARES Act for COVID-19 related uses
Public Housing Administration	Banco Popular	106/BCP-15-9001	\$112,169,027	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Treasury	Banco Popular	25/BCP-23-6373	\$85,075,150	Restricted: Federal Funds – FEMA disaster relief funds
Department of Labor and Human Resources	Banco Popular	67/BCP-32-6613	\$68,685,402	Restricted: Federal Funds –Unemployment funds provided relating to COVID-19 pandemic relief
Public Housing Administration	Banco Popular	106/BCP-07-3485	\$43,909,029	Restricted: Federal Funds – HUD federal funds for low income public housing program
911 Emergency System Bureau	Banco Popular	121/BCP-02-5238	\$42,273,659	Restricted: Federal Law – earmarked funds for 911 services pursuant to federal law (Pub. L. No. 110-283)
Department of Labor and Human Resources	Banco Popular	67/BCP-02-5966	\$37,413,957	Restricted: Federal Law – earmarked for unemployment fund pursuant to the Federal Unemployment Tax Act (26 U.S.C. § 3301 et seq.)
Public Housing Administration	First Bank	106/FIR-04-2719	\$26,610,375	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-20-8418	\$24,092,806	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-06-6445	\$21,123,102	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-03-6402	\$19,931,461	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	BNY Mellon	106/BNY-01-3154	\$19,790,500	Restricted: Federal Funds – HUD federal funds for low income public housing program

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Public Housing Administration	First Bank	106/FIR-95-5482	\$15,667,308	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Housing	First Bank	78/FIR-27-2218	\$15,124,554	Restricted: Federal Funds – CDBG-DR (Community Development Block Grant Disaster Recovery) funds, which is subject to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)
Department of Labor and Human Resources	Banco Popular	67/BCP-07-2068	\$13,822,499	Restricted: Federal Law – earmarked for unemployment fund pursuant to the Federal Unemployment Tax Act (26 U.S.C. § 3301 et seq.)
Public Housing Administration	Banco Popular	106/BCP-35-9378	\$10,417,888	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	First Bank	106/FIR-96-5483	\$10,383,140	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	BNY Mellon	106/BNY-03-3143	\$9,995,992	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-30-1762	\$8,984,564	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-89-5972	\$8,915,667	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-28-0898	\$8,181,916	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Treasury	Banco Popular	24/BCP-27-9946	\$6,096,784	Restricted: Federal Funds – Funds provided by the U.S. Department of Justice as asset forfeiture equitable sharing to be used only for law enforcement purposes
Department of Housing	Banco Popular	78/BCP-20-3816	\$3,710,769	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Treasury	Banco Popular	24/BCP-37-0333	\$3,235,337	Restricted: Federal Funds – Funds provided by the U.S. Department of Treasury as asset forfeiture equitable sharing to be used only for law enforcement purposes
Public Housing Administration	Banco Popular	106/BCP-88-5697	\$2,931,571	Restricted: Federal Funds – HUD federal funds for low income public housing program

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Telecommunications Regulatory Board	Banco Popular	141/BCP-01-7159	\$2,904,901	Restricted: Federal Law – third-party deposits earmarked for provision of universal telecommunications services pursuant to 47 U.S.C. § 254(f)
Public Housing Administration	Banco Popular	106/BCP-04-6410	\$2,749,017	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-36-9386	\$2,166,790	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-90-5980	\$1,927,807	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	First Bank	106/FIR-01-1567	\$1,693,032	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-18-7459	\$964,810	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-19-8361	\$711,288	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Housing	First Bank	78/FIR-05-1872	\$444,050	Restricted: Federal Funds – CDBG-DR funds, which is subject to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)
Public Housing Administration	Banco Popular	106/BCP-91-5999	\$209,579	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-21-8671	\$202,826	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-222-9420	\$201,696	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Housing	First Bank	78/FIR-07-2026	\$134,922	Restricted: Federal Funds – CDBG-DR funds, which is subject to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)
Public Housing Administration	BNY Mellon	106/BNY-05-3148	\$128,725	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-05-6429	\$127,812	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-34-9351	\$125,918	Restricted: Federal Funds – HUD federal funds for low income public housing program

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Public Housing Administration	Banco Popular	106/BCP-82-4721	\$119,328	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-80-4705	\$62,065	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-77-4675	\$55,627	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-39-9020	\$46,986	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-81-4713	\$44,035	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-33-9119	\$40,093	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-17-4015	\$38,109	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-11-0558	\$34,087	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-76-4667	\$30,730	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-74-4640	\$27,878	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-38-9012	\$26,905	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-79-4691	\$13,177	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-12-0574	\$12,279	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-75-4659	\$7,090	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-78-4683	\$2,693	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-83-4748	\$1,360	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-85-4764	\$1,071	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-37-4126	\$1,000	Restricted: Federal Funds – HUD federal funds for low income public housing program

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Public Housing Administration	Banco Popular	106/BCP-32-9100	\$593	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-23-0839	\$423	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-84-4756	\$403	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-14-9692	\$313	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-73-5698	\$1	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-29-0901	\$0	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	Banco Popular	106/BCP-86-4772	\$0	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	BNY Mellon	106/BNY-02-3155	\$0	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	BNY Mellon	106/BNY-04-3144	\$0	Restricted: Federal Funds – HUD federal funds for low income public housing program
Public Housing Administration	BNY Mellon	106/BNY-06-3149	\$0	Restricted: Federal Funds – HUD federal funds for low income public housing program
Department of Housing	First Bank	78/FIR-26-2207	\$0	Restricted: Federal Funds – CDBG-DR funds, which is subject to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.)
Total Federal Funds/Law			\$4,576,834,835	
Plus Federal Funds portion of TSA accounts			\$76,000,000	
Total Federally Restricted			\$4,652,834,835	
Third Party Funds				
Office of Court Administration	Citibank	10/CIT-01-1014	\$100,083,709	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991
Traditional Lottery	Banco Popular	LOT/BCP-01-2357	\$91,910,322	Restricted: Third Party Funds – funds for lottery prize winners

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Child Support Administration	Banco Popular	124/BCP-01-5372	\$91,546,854	Restricted: Third Party Funds – custodial account for child support and alimony collection pursuant to Act 5-1986
Office of Court Administration	Banco Santander	10/BSA-03-0088	\$73,684,919	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Electronic Lottery	Banco Santander	ELOT/BSA-02-5328	\$70,070,096 ⁴	Restricted: Third Party Funds – funds for lottery prize winners
Office of Court Administration	Banco Santander	10/BSA-01-0045	\$62,565,455	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Department of Treasury	Citibank	24/CIT-01-9028	\$51,785,469	Restricted: Third Party Funds – custodial lockbox account
Department of Labor and Human Resources	Northern Trust	67/NTR-02-3563	\$20,978,057	Restricted: Third Party Funds - entrusted funds for disability benefits pursuant to Act 139-1968
Office of Court Administration	Banco Santander	10/BSA-07-4105	\$18,688,172	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-102-0089	\$14,098,251	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991
Department of Labor and Human Resources	Northern Trust	67/NTR-01-4100	\$12,337,776	Restricted: Third Party Funds - entrusted funds for disability benefits pursuant to Act 139-1968
Office of Court Administration	Banco Santander	10/BSA-16-0026	\$10,435,097	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Department of Labor and Human Resources	Banco Popular	67/BCP-20-9814	\$9,432,782	Restricted: Third Party Funds – social security account of certain employees funded by contributions by employees and employers pursuant to 29 L.P.R.A. § 681 et seq.

⁴ Of the \$70,1 million held in this account, \$50,348,665 is estimated as the amount of funds needed to pay lottery prize winners and is categorized as legally restricted funds. The remaining \$19,721,431 is categorized as unrestricted funds, including the amount needed for operation of electronic lottery program.

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Labor and Human Resources	Banco Popular	67/BCP-09-2645	\$9,044,755	Restricted: Third Party Funds – custodial account of mediation settlement proceeds pursuant to 3 L.P.R.A. § 320
Office of Court Administration	Banco Santander	10/BSA-20-0086	\$8,258,446	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-62-0052	\$7,050,443	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-13-0059	\$7,044,484	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-08-4164	\$5,743,415	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-79-0103	\$5,151,068	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-02-0053	\$4,748,149	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Department of Treasury	Banco Popular	24/BCP-44-6935	\$4,576,417	Restricted: Third Party Funds – entrusted funds for defined contribution plan established pursuant to Act 106-2017
Office of Court Administration	Banco Santander	10/BSA-49-0028	\$4,048,964	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-18-0050	\$3,918,499	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-38-0496	\$3,634,893	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-15-0112	\$3,090,380	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	Banco Santander	10/BSA-108-5050	\$2,709,468	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-65-0126	\$2,231,598	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-111-4699	\$2,217,718	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991
Department of Labor and Human Resources	Banco Popular	67/BCP-19-9806	\$2,216,576	Restricted: Third Party Funds - entrusted funds for disability benefits pursuant to Act 139-1968
Office of Court Administration	Banco Santander	10/BSA-12-0048	\$1,898,543	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-28-0059	\$1,587,641	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-44-0042	\$1,371,235	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-50-0079	\$1,100,096	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-109-5441	\$872,070	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-64-0116	\$770,691	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-112-2319	\$745,457	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-23-0026	\$701,820	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	Banco Santander	10/BSA-80-0170	\$659,305	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-24-0042	\$641,767	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-33-0052	\$595,783	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-31-0036	\$587,400	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-37-0015	\$579,441	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-71-0206	\$555,225	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-41-0576	\$515,329	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-67-0169	\$428,313	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-60-0053	\$412,699	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-21-0107	\$379,073	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-92-0086	\$376,187	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-87-0041	\$314,401	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	Banco Santander	10/BSA-56-0010	\$297,137	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-40-0541	\$285,654	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-05-0008	\$238,457	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-68-0177	\$237,155	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-34-0060	\$232,296	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-107-5415	\$230,675	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-59-0045	\$225,161	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-70-0193	\$148,625	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-75-0048	\$145,126	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-106-0731	\$133,641	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991
Office of Court Administration	Banco Santander	10/BSA-26-0071	\$129,686	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-55-0031	\$125,979	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	Banco Santander	10/BSA-11-0021	\$108,560	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-95-0022	\$99,677	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-99-0097	\$98,026	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-86-0017	\$89,448	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-96-0030	\$87,549	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-88-0027	\$76,743	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-105-0553	\$75,359	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991
Office of Court Administration	Banco Santander	10/BSA-30-0091	\$70,643	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-54-0023	\$65,991	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-74-0013	\$65,748	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-116-4611	\$56,879	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991
Office of Court Administration	Banco Santander	10/BSA-98-0038	\$54,702	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases

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Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	Banco Santander	10/BSA-73-0222	\$49,908	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-82-0218	\$41,903	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-36-0087	\$37,617	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-91-0078	\$28,347	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-45-0077	\$23,615	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-58-0037	\$19,058	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-89-0035	\$18,617	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-46-0085	\$15,905	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-84-0242	\$11,474	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-48-0106	\$8,399	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-27-0098	\$2,215	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Office of Court Administration	Banco Santander	10/BSA-103-0097	\$59	Restricted: Third Party Funds – custodial account for third-party deposited funds pursuant to Act No. 69-1991

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	Banco Santander	10/BSA-115-2351	\$0	Restricted: Third Party Funds – custodial account of third-party funds in active legal cases
Total Third Party Funds			\$722,030,742	
Less unrestricted portion of Electronic Lottery funds (see note 4 above)			(\$19,721,431)	
Total Net Third Party Funds			\$702,309,311	
Court Orders				
Department of Treasury	Banco Popular	24/BCP-13-9520	\$16,980,074	Restricted: Court Order – earmarked funds for new expenditures that benefit inmates in Puerto Rico’s correctional system pursuant to a federal court order dated September 1, 2016 in civil case No. 79-2004
State Office of Energy Public Policy	Banco de Desarrollo Economico (BDE)	290/BDE-01-bers ⁵	\$2,990,325	Restricted: Court Order – earmarked funds for energy-related programs and subject to U.S. Department of Energy review and approval per Stripper Wells Funds settlement in MDL No. 378 (D. Kan.)
Department of Housing	First Bank	78/FIR-11-5084	\$1,400,000	Restricted: Court Order – earmarked funds for landfill relocation and remediation costs subject to U.S. Environmental Protection Agency review pursuant to a settlement entered in a federal court in civil case No. 95-2213 and No. 95-2215
Department of Housing	First Bank	78/FIR-06-1883	\$139,923	Restricted: Court Order – earmarked funds for landfill relocation and remediation costs subject to U.S. Environmental Protection Agency review pursuant to a settlement entered in a federal court in civil case No. 95-2213 and No. 95-2215
Total Court Orders			\$21,510,322	
Tax Exempt Proceeds				

⁵ The bank accounts at Banco de Desarrollo Economico (BDE) are not assigned a numerical identifier. Instead, there is only one bank account per agency that holds an account with BDE and the related transactions and statements are identified by the account holder name and mailing address.

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Treasury	Banco Popular	24/BCP-62-9010	\$33,977,116	Restricted: Tax-Exempt Bond Proceeds – bond proceeds subject to Internal Revenue Code limitations
Total Tax Exempt Proceeds			\$33,977,116	
Unreviewed – Below \$2M				
Department of Economic Development and Commerce	Banco Popular	x4535	\$1,965,472	Unreviewed ⁶
Department of Correction and Rehabilitation	Banco Santander	x9709	\$1,864,126	Unreviewed
Department of Economic Development and Commerce	Banco Popular	x4973	\$1,839,024	Unreviewed
Department of Economic Development and Commerce	Banco Popular	x0828	\$1,765,610	Unreviewed
Office of Court Administration	First Bank	x4259	\$1,733,153	Unreviewed
Department of Treasury	Banco Popular	x5524	\$1,718,221	Unreviewed
Office of the Solicitor - Special Independent Prosecutor	First Bank	x6736	\$1,665,639	Unreviewed
Department of Education	Banco Popular	x1967	\$1,344,504	Unreviewed
Department of Justice – Office of Inspector General	Banco Popular	x5412	\$1,342,595	Unreviewed
Department of Housing	Banco Popular	x0006	\$1,315,389	Unreviewed
Office for Community and Socioeconomic Development of Puerto Rico	Banco Popular	x4753	\$1,151,301	Unreviewed
Forensics Science Bureau	Banco Popular	x0370	\$1,109,922	Unreviewed
Department of Treasury	Banco Popular	x1800	\$1,002,196	Unreviewed

⁶ Generally, accounts with balance lower than \$2.0 million were not reviewed for restriction assessment. In some instances, if review of accounts with balance of \$2.0 million or greater indicated that an account with a lower balance may be subject to a similar legal restriction on use of funds, then such accounts were also reviewed for restriction assessment notwithstanding a low balance. As of June 30, 2021, the accounts reviewed for restriction status represented approximately \$18.884 billion (including \$11.882 billion held in six TSA accounts) of the total \$18.917 billion, or 99.8% of funds held at the Commonwealth accounts. The accounts that have not been reviewed based on the amount threshold are presented in gray boxes.

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Program of Youth Affairs	Banco de Desarrollo Economico (BDE)	xbers	\$984,432	Unreviewed
Department of Housing	Banco Popular	x8272	\$884,694	Unreviewed
Department of Economic Development and Commerce	Banco Santander	x5138	\$859,217	Unreviewed
Department of Housing	Banco Popular	x0914	\$778,680	Unreviewed
Statistics Institute of PR	Banco Popular	x0004	\$770,885	Unreviewed
Department of Treasury	Banco Popular	x7060	\$553,335	Unreviewed
Department of Labor and Human Resources	Banco de Desarrollo Economico (BDE)	xbers	\$539,547	Unreviewed
Department of Economic Development and Commerce	Banco Popular	x4497	\$495,028	Unreviewed
Forensics Science Bureau	Banco Popular	x5008	\$475,728	Unreviewed
National Guard of Puerto Rico	Banco Popular	x1797	\$472,890	Unreviewed
Department of Economic Development and Commerce	Banco Santander	x6268	\$468,869	Unreviewed
Department of Treasury	Banco Popular	x4022	\$464,609	Unreviewed
Department of Treasury	Banco Popular	x1053	\$451,084	Unreviewed
Department of Education	Oriental Bank	x0022	\$407,030	Unreviewed
Department of Treasury	Banco Popular	x1819	\$373,034	Unreviewed
Statistics Institute of PR	First Bank	x7021	\$266,784	Unreviewed
Government Ethics Office	Banco Popular	x0377	\$247,740	Unreviewed
Family and Children Administration	Banco Popular	x1789	\$216,942	Unreviewed
Department of Education	First Bank	x1575	\$205,439	Unreviewed
Department of Labor and Human Resources	Banco Popular	x1029	\$199,552	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x1210	\$162,436	Unreviewed
Puerto Rico Education Council	Banco Popular	x1770	\$153,793	Unreviewed

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Senate	First Bank	x2720	\$143,541	Unreviewed
Senate	First Bank	x3149	\$140,316	Unreviewed
Department of Education	Banco Popular	x2114	\$139,725	Unreviewed
Department of Treasury	Banco Popular	x7052	\$130,148	Unreviewed
Department of Treasury	Banco Popular	x1916	\$107,604	Unreviewed
House of Representatives	First Bank	x2885	\$106,967	Unreviewed
Vocational Rehabilitation Administration	Banco Popular	x1657	\$104,481	Unreviewed
Department of Treasury	Banco Popular	x6314	\$91,772	Unreviewed
Department of Treasury	First Bank	x1707	\$84,444	Unreviewed
Public Housing Administration	Banco Popular	x1379	\$84,355	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x0299	\$77,513	Unreviewed
House of Representatives	First Bank	x2654	\$73,206	Unreviewed
Department of Treasury	Banco Popular	x1878	\$68,687	Unreviewed
Department of Treasury	Banco Popular	x1932	\$67,836	Unreviewed
Office of Court Administration	Banco Santander	x0146	\$64,170	Unreviewed
Department of Treasury	Banco Popular	x1622	\$61,932	Unreviewed
Department of Labor and Human Resources	Banco Popular	x1045	\$60,573	Unreviewed
Department of Housing	Banco Popular	x8094	\$59,700	Unreviewed
Socioeconomic Development of the Family Administration	Banco Popular	x2203	\$58,352	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x3364	\$53,788	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x0302	\$52,229	Unreviewed
Puerto Rico Energy Commission	Banco Popular	x6628	\$52,000	Unreviewed
Department of Family	Banco Popular	x1851	\$51,410	Unreviewed
Senate	First Bank	x2742	\$49,569	Unreviewed
Department of Housing	Banco Popular	x5601	\$49,476	Unreviewed

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Government Ethics Office	First Bank	x1531	\$47,861	Unreviewed
Department of Treasury	Banco Popular	x1886	\$41,485	Unreviewed
Superintendent of the Capitol	First Bank	x2896	\$39,309	Unreviewed
Department of Housing	Banco Popular	x8264	\$38,620	Unreviewed
Department of Treasury	Banco Popular	x1630	\$37,976	Unreviewed
Statistics Institute of PR	Banco Popular	x0974	\$36,219	Unreviewed
Department of Treasury	Banco Popular	x1959	\$35,810	Unreviewed
Office of Court Administration	Banco Santander	x0264	\$31,712	Unreviewed
Department of Treasury	Banco Popular	x1924	\$26,048	Unreviewed
Department of Treasury	Banco Popular	x1894	\$25,209	Unreviewed
Office of Court Administration	Banco Santander	x0078	\$23,644	Unreviewed
Office of Court Administration	First Bank	x9716	\$21,865	Unreviewed
Public Housing Administration	Banco Popular	x1322	\$19,525	Unreviewed
Office of Court Administration	Banco Santander	x0075	\$18,616	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x0280	\$18,510	Unreviewed
Socioeconomic Development of the Family Administration	Banco Popular	x2149	\$18,229	Unreviewed
Office of Court Administration	Banco Santander	x0034	\$18,190	Unreviewed
Government Ethics Office	Banco Popular	x4981	\$17,944	Unreviewed
Department of Correction and Rehabilitation	First Bank	x3435	\$17,319	Unreviewed
Socioeconomic Development of the Family Administration	Banco Popular	x2181	\$16,175	Unreviewed
Department of Treasury	Banco Santander	x8366	\$15,811	Unreviewed
Office of Court Administration	First Bank	x9705	\$15,286	Unreviewed
Office of Court Administration	Banco Santander	x0095	\$15,213	Unreviewed
Office of Court Administration	Banco Santander	x0189	\$14,104	Unreviewed
Department of Treasury	Banco Popular	x1843	\$14,085	Unreviewed
Office of Court Administration	First Bank	x9672	\$13,656	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x0985	\$13,467	Unreviewed
Office of Court Administration	First Bank	x9639	\$12,326	Unreviewed

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of Court Administration	First Bank	x9694	\$12,296	Unreviewed
Forensics Science Bureau	Banco Popular	x9065	\$12,189	Unreviewed
Department of Treasury	Banco Popular	x4014	\$11,182	Unreviewed
Office of Court Administration	First Bank	x9584	\$11,174	Unreviewed
Office of Court Administration	Banco Santander	x4201	\$10,436	Unreviewed
Office of Court Administration	First Bank	x9650	\$9,777	Unreviewed
Forensics Science Bureau	Banco Popular	x5994	\$7,881	Unreviewed
Department of Labor and Human Resources	Banco Popular	x1142	\$7,741	Unreviewed
Office of Court Administration	Banco Santander	x0044	\$7,145	Unreviewed
Office of Court Administration	Banco Santander	x0018	\$6,982	Unreviewed
Department of Labor and Human Resources	Banco Popular	x1002	\$6,913	Unreviewed
Office of Court Administration	Banco Santander	x0051	\$5,910	Unreviewed
Department of Natural and Environmental Resources	Banco Popular	x1770	\$5,885	Unreviewed
Office of Court Administration	First Bank	x9606	\$5,589	Unreviewed
Office of the Governor	Banco Santander	x4261	\$4,890	Unreviewed
Office of Court Administration	Banco Santander	x6618	\$4,822	Unreviewed
Office of the Governor	Banco Santander	x4253	\$4,678	Unreviewed
Department of Consumer Affairs	Banco Popular	x5469	\$4,618	Unreviewed
Office of Court Administration	Banco Santander	x0011	\$4,240	Unreviewed
Office of Court Administration	First Bank	x9595	\$4,238	Unreviewed
Office of Court Administration	First Bank	x9661	\$4,201	Unreviewed
Office of Court Administration	Banco Santander	x0056	\$4,120	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x2303	\$3,932	Unreviewed
Office of Court Administration	Banco Santander	x0584	\$3,932	Unreviewed
Office of Court Administration	Banco Santander	x0087	\$3,702	Unreviewed
Vocational Rehabilitation Administration	Banco Popular	x0137	\$3,314	Unreviewed
Family and Children Administration	Banco Popular	x4390	\$3,283	Unreviewed

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Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Education	Oriental Bank	x3673	\$3,256	Unreviewed
Office of the Solicitor - Special Independent Prosecutor	First Bank	x2411	\$2,894	Unreviewed
Office of Court Administration	Banco Santander	x0517	\$2,861	Unreviewed
Office of Court Administration	Banco Santander	x0093	\$2,800	Unreviewed
Office of Court Administration	Banco Santander	x0013	\$2,724	Unreviewed
Office of Court Administration	First Bank	x9727	\$2,507	Unreviewed
Family and Children Administration	Banco Popular	x3064	\$2,381	Unreviewed
Office of Court Administration	Banco Santander	x0014	\$2,030	Unreviewed
Family and Children Administration	Banco Popular	x3890	\$1,982	Unreviewed
Office of Court Administration	First Bank	x9628	\$1,716	Unreviewed
Puerto Rico Energy Commission	Banco Popular	x1495	\$1,706	Unreviewed
Puerto Rico Police Bureau	Oriental Bank	x0087	\$1,500	Unreviewed
Office of Court Administration	Banco Santander	x0009	\$1,475	Unreviewed
Office of Court Administration	Banco Santander	x0061	\$1,430	Unreviewed
Office of Court Administration	Banco Santander	x2343	\$1,271	Unreviewed
Department of Correction and Rehabilitation	Nuestra Coop	x0024	\$1,171	Unreviewed
Office of Court Administration	Banco Santander	x0018	\$1,150	Unreviewed
Office of Court Administration	Banco Santander	x0185	\$1,120	Unreviewed
Office of Court Administration	Banco Santander	x0214	\$1,090	Unreviewed
Department of Treasury	Banco Popular	x6322	\$957	Unreviewed
Department of Treasury	Banco Popular	x6381	\$957	Unreviewed
Department of Treasury	Banco Popular	x6330	\$957	Unreviewed
Department of Treasury	Banco Popular	x6349	\$957	Unreviewed
Department of Treasury	Banco Popular	x6365	\$957	Unreviewed
Office of Court Administration	First Bank	x9738	\$943	Unreviewed
Office of Court Administration	First Bank	x9683	\$858	Unreviewed
Office of Court Administration	Banco Santander	x0067	\$843	Unreviewed
Department of Labor and Human Resources	Banco Popular	x6739	\$720	Unreviewed

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Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Office of the Solicitor - Special Independent Prosecutor	First Bank	x6747	\$616	Unreviewed
Office of Court Administration	Banco Santander	x0040	\$570	Unreviewed
Department of Housing	First Bank	x2037	\$514	Unreviewed
911 Emergency System Bureau	Banco Popular	x0945	\$500	Unreviewed
Office of Court Administration	Banco Santander	x0107	\$472	Unreviewed
Office of Court Administration	Banco Santander	x0015	\$450	Unreviewed
Department of Treasury	Banco Popular	x6978	\$423	Unreviewed
Office of the Governor	Banco Santander	x4237	\$423	Unreviewed
Office of Court Administration	Banco Santander	x0142	\$407	Unreviewed
Department of Treasury	Banco Popular	x6986	\$355	Unreviewed
Office of Court Administration	Banco Santander	x0079	\$240	Unreviewed
House of Representatives	First Bank	x2643	\$227	Unreviewed
Socioeconomic Development of the Family Administration	Banco Popular	x2130	\$224	Unreviewed
Office of Court Administration	Banco Santander	x0226	\$220	Unreviewed
Department of Treasury	Banco Santander	x2798	\$95	Unreviewed
Public Housing Administration	Banco Popular	x9269	\$61	Unreviewed
Department of Treasury	Banco Popular	x2268	\$50	Unreviewed
Department of Public Safety	Banco Popular	x7379	\$45	Unreviewed
Department of Housing	First Bank	x2048	\$4	Unreviewed
Office of Court Administration	First Bank	x9617	\$0	Unreviewed
Department of Treasury	Banco Popular	x0720	\$0	Unreviewed
Department of Treasury	First Bank	x2653	\$0	Unreviewed
Department of Housing	First Bank	x5007	\$0	Unreviewed
Puerto Rico Education Council	Banco Popular	x1746	\$0	Unreviewed
Department of Housing	First Bank	x2059	\$0	Unreviewed
Office of Court Administration	Banco Santander	x0063	\$0	Unreviewed
911 Emergency System Bureau	Banco Popular	x9267	\$0	Unreviewed
911 Emergency System Bureau	Banco Popular	x9962	\$0	Unreviewed
Office of Court Administration	Banco Santander	x0029	\$0	Unreviewed
Child Support Administration	Banco Popular	x4166	\$0	Unreviewed
Child Support Administration	Banco Popular	x5488	\$0	Unreviewed
Department of Correction and Rehabilitation	Banco Santander	x1260	\$0	Unreviewed

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Economic Development and Commerce	Banco Popular	x4543	\$0	Unreviewed
Department of Treasury	Banco Popular	x2217	\$0	Unreviewed
Department of Treasury	Banco Popular	x3488	\$0	Unreviewed
Department of Treasury	Banco Popular	x3778	\$0	Unreviewed
Department of Treasury	Banco Popular	x4303	\$0	Unreviewed
Department of Treasury	Banco Popular	x5191	\$0	Unreviewed
Department of Treasury	Banco Popular	x6943	\$0	Unreviewed
Department of Treasury	Banco Popular	x6994	\$0	Unreviewed
Department of Treasury	Banco Popular	x7213	\$0	Unreviewed
Department of Treasury	Banco Popular	x7491	\$0	Unreviewed
Department of Treasury	Banco Popular	x9474	\$0	Unreviewed
Department of Treasury	Banco Popular	x9482	\$0	Unreviewed
Department of Treasury	Banco Popular	x9490	\$0	Unreviewed
Department of Treasury	Banco Popular	x9504	\$0	Unreviewed
Department of Treasury	Banco Popular	x9512	\$0	Unreviewed
Department of Treasury	Banco Popular	x9539	\$0	Unreviewed
Department of Treasury	Banco Popular	x9563	\$0	Unreviewed
Department of Treasury	Banco Popular	x9571	\$0	Unreviewed
Electronic Lottery	Banco Santander	x3328	\$0	Unreviewed
Electronic Lottery	Banco Santander	x5298	\$0	Unreviewed
Environmental Quality Board	Banco Popular	x9547	\$0	Unreviewed
Environmental Quality Board	Banco Popular	x9555	\$0	Unreviewed
Forensics Science Bureau	Banco Popular	x1707	\$0	Unreviewed
Forensics Science Bureau	Banco Popular	x1823	\$0	Unreviewed
Forensics Science Bureau	Banco Popular	x6001	\$0	Unreviewed
Public Housing Administration	Banco Popular	x9044	\$0	Unreviewed
Senate	First Bank	x2676	\$0	Unreviewed
House of Representatives	First Bank	x2621	\$0	Unreviewed
House of Representatives	First Bank	x2632	\$0	Unreviewed
House of Representatives	First Bank	x3358	\$0	Unreviewed
Electronic Lottery	Banco Santander	x5301	\$0	Unreviewed
Council of Occupational Development & Human Resources (CDORH)	Banco Popular	x3356	\$0	Unreviewed

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Department of Justice – Office of Inspector General	Banco Popular	x5404	\$0	Unreviewed
Department of Justice – Office of Inspector General	Banco Popular	x5390	\$0	Unreviewed
Department of Justice – Office of Inspector General	Banco Popular	x1616	\$0	Unreviewed
Department of Justice – Office of Inspector General	Banco Popular	x1608	\$0	Unreviewed
Department of Justice – Office of Inspector General	Banco Popular	x1779	\$0	Unreviewed
Total Unreviewed – Below \$2M			\$33,173,087	
Pending Balance Confirmation				
Joint Special Commission of Legislative Funds	First Bank	x3292	Pending ⁷	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3303	Pending	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3270	Pending	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3226	Pending	Unreviewed
Public Housing Administration	Citibank	x4013	Pending	Unreviewed
Department of Housing	Banco Popular	x0005	Pending	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3182	Pending	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3204	Pending	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3215	Pending	Unreviewed
Department of Family	Banco de Desarrollo Economico (BDE)	xbers	Pending	Unreviewed
Department of Treasury	Banco Santander	x8951	Pending	Unreviewed

⁷ Pending confirmation of balance as of June 30, 2021.

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Joint Special Commission of Legislative Funds	First Bank	x3116	Pending	Unreviewed
Joint Special Commission of Legislative Funds	First Bank	x3127	Pending	Unreviewed
TOTAL FUNDS			\$18,917,455,510	

Exhibit | List of Agencies

ERS:

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Asserted to be Restricted per Litigation				
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	928/BNY-09-0514	\$141,346,561	Asserted to be Restricted: Third Party Contract – investment proceeds subject to ERS bondholder litigation
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	928/BCP-10-4546	\$110,694,597	Asserted to be Restricted: Third Party Contract – investment proceeds subject to ERS bondholder litigation
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	928/BCP-18-8059	\$94,636,291	Asserted to be Restricted: Third Party Contract – inconclusive funds subject to ERS bondholder litigation
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	928/BCP-11-4554	\$30,292,504	Asserted to be Restricted: Third Party Contract – investment proceeds subject to ERS bondholder litigation
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	928/BCP-02-1177	\$9,939,433	Asserted to be Restricted: Third Party Contract – inconclusive funds subject to ERS bondholder litigation
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	928/BCP-03-1185	\$3,367,872	Asserted to be Restricted: Third Party Contract – inconclusive funds subject to ERS bondholder litigation
Total Asserted to be Restricted per Litigation			\$390,277,258	
Third Party Funds				
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	928/BCP-26-7006	\$911,069,911	Restricted: Third Party Funds – entrusted funds by participating employees and teachers for defined contribution plan established pursuant to Act 106-2017
Total Third Party Funds			\$911,069,911	
Unreviewed – Below \$2M				

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x1207	\$1,500,475	Unreviewed ⁸
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	x0254	\$79,872	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x2448	\$9,517	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x7014	\$3,711	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x7944	\$1,660	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x1193	\$799	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	x0255	\$38	Unreviewed

⁸ Generally, accounts with balance lower than \$2.0 million were not reviewed for restriction assessment. In some instances, if review of accounts with balance of \$2.0 million or greater indicated that an account with a lower balance may be subject to a similar legal restriction on use of funds, then such accounts were also reviewed for restriction assessment notwithstanding a low balance. As of June 30, 2021, the accounts reviewed for restriction status represented approximately \$1.301 billion of the total \$1.303 billion, or 99.9% of funds held at the ERS accounts. The accounts that have not been reviewed based on the amount threshold are presented in gray boxes.

Exhibit | List of Agencies

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x7495	\$0	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	Banco Popular	x6728	\$0	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	x0251	\$0	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	x0252	\$0	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	x0256	\$0	Unreviewed
Retirement System for Employees of the Government and Judiciary Retirement System	BNY Mellon	x0257	\$0	Unreviewed
Total Unreviewed – Below \$2M			\$1,596,072	
TOTAL FUNDS			\$1,302,943,241	

Exhibit | List of Agencies

PBA:

Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Unrestricted				
Public Buildings Authority	Banco Popular	162/BCP-07-4128	\$62,125,244	Unrestricted
Public Buildings Authority	Oriental Bank	162/ORI-31-7589	\$15,742,855	Unrestricted
Public Buildings Authority	Oriental Bank	162/ORI-07-4707	\$12,909,833	Unrestricted
Public Buildings Authority	Oriental Bank	162/ORI-03-5578	\$9,689,698	Unrestricted
Public Buildings Authority	Banco Popular	162/BCP-01-5019	\$9,467,142	Unrestricted
Public Buildings Authority	Oriental Bank	162/ORI-04-1571	\$4,756,146	Unrestricted
Public Buildings Authority	US Bank	162/USB-04-9006	\$3,824,289	Unrestricted
Public Buildings Authority	US Bank	162/USB-06-2002	\$3,071,843	Unrestricted
Total Unrestricted			\$121,587,050	
Federal Funds/Law				
Public Buildings Authority	Banco Popular	162/BCP-04-6809	\$8,505,221	Restricted: Federal Funds – FEMA disaster relief funds
Total Federal Funds/Law			\$8,505,221	
Court Order				
Public Buildings Authority	Banco Popular	162/BCP-06-0830	\$54,360,706	Restricted: Court Order – Disaster Insurance Proceeds for use at PBA's discretion per Court Order in the PBA Title III case, Doc. #122 dated April 26, 2021.
Total Court Order			\$54,360,706	
Unreviewed – Below \$2M				
Public Buildings Authority	Oriental Bank	x4139	\$1,424,989	Unreviewed ⁹
Public Buildings Authority	Oriental Bank	x3891	\$103,056	Unreviewed
Public Buildings Authority	Oriental Bank	x4138	\$75,178	Unreviewed
Public Buildings Authority	US Bank	x1000	\$10,094	Unreviewed

⁹ Generally, accounts with balance lower than \$2.0 million were not reviewed for restriction assessment. In some instances, if review of accounts with balance of \$2.0 million or greater indicated that an account with a lower balance may be subject to a similar legal restriction on use of funds, then such accounts were also reviewed for restriction assessment notwithstanding a low balance. As of June 30, 2021, the accounts reviewed for restriction status represented approximately \$0.184 billion of the total \$0.186 billion, or 99.1% of funds held at the PBA accounts. The accounts that have not been reviewed based on the amount threshold are presented in gray boxes.

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Account Holder (English)	Financial Institution	Account Number	6/30/2021 Balance (\$)	Categorization
Public Buildings Authority	Oriental Bank	x3871	\$9,288	Unreviewed
Public Buildings Authority	US Bank	x3220	\$6,822	Unreviewed
Public Buildings Authority	Oriental Bank	x6472	\$5,465	Unreviewed
Public Buildings Authority	US Bank	x1001	\$1,898	Unreviewed
Public Buildings Authority	US Bank	x9002	\$1,297	Unreviewed
Public Buildings Authority	Oriental Bank	x0673	\$1,012	Unreviewed
Public Buildings Authority	US Bank	x4000	\$508	Unreviewed
Public Buildings Authority	US Bank	x9005	\$345	Unreviewed
Public Buildings Authority	US Bank	x1000	\$0	Unreviewed
Public Buildings Authority	Banco Popular	x0762	\$0	Unreviewed
Public Buildings Authority	Banco Popular	x1505	\$0	Unreviewed
Public Buildings Authority	Banco Popular	x6817	\$0	Unreviewed
Public Buildings Authority	US Bank	x1000	\$0	Unreviewed
Public Buildings Authority	US Bank	x2000	\$0	Unreviewed
Public Buildings Authority	US Bank	x2000	\$0	Unreviewed
Public Buildings Authority	US Bank	x3190	\$0	Unreviewed
Public Buildings Authority	US Bank	x4000	\$0	Unreviewed
Public Buildings Authority	US Bank	x4002	\$0	Unreviewed
Public Buildings Authority	US Bank	x5000	\$0	Unreviewed
Public Buildings Authority	US Bank	x6000	\$0	Unreviewed
Total Unreviewed – Below \$2M			\$1,639,952	
TOTAL FUNDS			\$186,092,929	

EXHIBIT B

ACCOUNTS DETERMINED TO BE UNRESTRICTED PER LEGAL REVIEW
NOTWITHSTANDING ASSERTED RESTRICTIONS BY ACCOUNTHOLDER

Account Identifier	Accountholder	June 30, 2021 Balance
10/FIR-01-9562	Commonwealth – Office of Court Administration	\$101,627,956
119/BCP-01-5730	Commonwealth – Department of Economic Development and Commerce	\$49,865,779
289/BCP-02-3056	Commonwealth – Puerto Rico Energy Commission	\$33,254,658
40/BCP-02-9598	Commonwealth – Puerto Rico Police Bureau	\$29,526,392
119/BCP-02-1301	Commonwealth – Department of Economic Development and Commerce	\$10,005,343
10/BSA-100-0974	Commonwealth – Office of Court Administration	\$10,001,114
14/BCP-32-0316	Commonwealth – Puerto Rico Environmental Quality Board	\$9,671,334
289/BCP-03-3064	Commonwealth – Puerto Rico Energy Commission	\$6,519,024
10/CIT-02-1022	Commonwealth – Office of Court Administration	\$5,945,753
222/FIR-01-2786	Commonwealth – Office of Legislative Services	\$5,568,150
2/FIR-01-2610	Commonwealth – House of Representatives	\$4,687,440
268/BCP-03-7055	Commonwealth – Statistics Institute of Puerto Rico	\$4,275,501
XX4/BCP-06-6054	Commonwealth – Department of Justice – Office of Inspector General	\$3,178,179
193/BCP-06-2001	Commonwealth – Government Ethics Office	\$2,939,844
222/FIR-04-2819	Commonwealth – Office of Legislative Services	\$2,760,183
	Commonwealth	\$279,826,650
162/ORI-31-7589	Public Buildings Authority	\$15,742,855
162/ORI-07-4707	Public Buildings Authority	\$12,909,833
162/ORI-04-1571	Public Buildings Authority	\$4,756,146
162/USB-04-9006	Public Buildings Authority	\$3,824,289
162/USB-06-2002	Public Buildings Authority	\$3,071,843
	Public Buildings Authority	\$40,304,966
	TOTAL	\$320,131,616